

RHH ★

\*OGC Has Reviewed\*

3 December 1954

MEMORANDUM FOR: General Tax File

SUBJECT : Withholding for Non-Resident Aliens' Escrow Account

25X1A

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1. In a conversation 2 December 1954 with [redacted] (Internal Revenue Service-Audit) I verified our understanding that a 30% withholding tax would not be required for escrow accounts established in this country for the services of non-resident aliens overseas. The rule for "sources outside the United States" which relates to the place of service rather than the place of payment is applicable here.

25X1A

[redacted]  
Assistant General Counsel

OGC/CWP:mks

Orig - General Tax File (Aliens)

- 1 - OGC 317 South
- 1 - Chrono.